



USAID
FROM THE AMERICAN PEOPLE



TRANSFORMING OUR PROGRAMS

FINANCING SELF-RELIANCE

‘**Financing self-reliance (FSR)**’ is a key Agency priority that seeks to strengthen partner countries’ ability to finance their own development agendas.

To move forward on the FSR spectrum, it is critical that countries:

- Have the **capacity** to generate and manage greater sums of public revenue and increasingly harness domestic and international private investment that can fund development needs across all sectors; and
- Make a credible **commitment** to ensuring that these resources are generated and spent in an accountable, transparent and effective manner that supports economic and social development in line with inclusively established country priorities.

FSR builds on USAID’s work in domestic resource mobilization (DRM) and calls for an expanded, Agency-wide approach to building financial self-reliance. The FSR framework posits that a country’s reliance on Official Development Assistance (ODA) decreases over time as it raises other revenue streams and attracts investments from a greater diversity of sources. It also asserts that countries must invest these resources with increased accountability if they are to result in development dividends.

USAID will assist countries in determining the proper balance of financial resources needed to meet each country’s development objectives as they journey toward self-reliance. FSR assists

partner countries in balancing the mutually-reinforcing aspects of their economic governance systems in a more holistic, strategic, and thoughtful manner, based on country context, to maximize the effectiveness of USAID's self-reliance programming.

THE FINANCING SELF-RELIANCE FRAMEWORK

The conceptual framework for FSR defines five key pillars of financial self-reliance:

- **Domestic Revenue Mobilization**
- **Public Financial Management**
- **Domestic Accountability and Fiscal Transparency**
- **Enabling Environment For Private Investment**
- **Fully Functioning Financial Markets**

FSR seeks to: a) integrate a variety of USAID (and U.S. government) programming that already supports financial self-reliance, but which currently operate in isolation from each other; b) encourage and support USAID operating units to prioritize and incorporate FSR in their strategic planning and program design.

Informed by the Financing Self-Reliance Framework, USAID will apply an integrated cross-sector approach to strategic planning and project design to better support partner country financial self-reliance. FSR is intended to align key objectives, project design and financial sustainability, while reducing Agency silos that inhibit better cross-Agency coordination and collaboration.

KEY DELIVERABLES

1. FSR framework and vision document
2. Public FSR communications materials
3. Agency policy and/or guidance that outlines:
 - a. how to integrate FSR into strategic planning and program design
 - b. processes for FSR operational engagement and coordination
 - c. FSR roles and responsibilities
4. FSR toolkit that details available USAID, USG interagency, and external partner mechanisms and approaches for supporting FSR
5. FSR learning agenda

THE TEAM

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GET INVOLVED! Email us at Transformation@USAID.gov or visit pages.myusaid.gov/a/t3